

February 25, 2016

To: Members of the Banking Committee

Fr: Connecticut Bankers Association

Contacts: Tom Mongellow, Fritz Conway

**S.B. No. 170 AN ACT CONCERNING THE FORECLOSURE MEDIATION PROGRAM**

Position: Oppose

The statute governing the Judicial Foreclosure mediation program results in an extremely complex process that requires significant capacity and resources for training, compliance, and management from a lender or servicer's perspective. Many states have differing versions of their own foreclosure mediation programs, creating a confusing patchwork of foreclosure laws that banks and servicers which do business in more than one state must navigate.

The Connecticut program has gone through significant statutory revisions almost every year since its inception in 2008. Each statutory revision results in major work, time and costs to adopt the new changes, not only within banks and servicers, but the legal community and the Judicial Branch itself.

The foreclosure crisis is finally subsiding in the State, with a twenty-five percent reduction in foreclosures from 2014 thru year end 2015 (Core Logic Year End Report). The number of new foreclosure filings is down to levels not seen since 2006. The Mediation Program, which was designed to be a temporary measure to address the crisis, is scheduled to sunset in 2019. Now is not the time to engage in another rewrite of the statute that has to be implemented by the Mediation Program, the courts and the stakeholders that have to make it work.

We strongly urge the Committee to reject Senate Bill 170 and allow the program to continue to work under its existing and certain framework.